

Information Request AG-3-1

What is Dr. Parmesano's opinion of metering requirements for standby rates? Should there be mandatory metering of all use, demand and energy (including self supplied)? Should metering requirements be the same for all DG customers or only certain classes or customers with certain demand levels or other characteristics? If only for certain customers, please explain the rationale for the differentiation. Should all metering be time of use?

Response

The Company objects to this Information Request because it seeks information that is outside the scope of Dr. Parmesano's rebuttal testimony. Notwithstanding this objection, metering requirements for standby customers depend upon the structure of rates and the contract terms that govern their purchases of utility services (and sales).

Information Request AG-3-2

Please discuss Dr. Parmesano's position regarding how standby energy should be priced. Should it be priced differently than that provided to customers with the same load characteristics but who do not self generate.

Response

The Company objects to this Information Request because it seeks information that is outside the scope of Dr. Parmesano's rebuttal testimony. Notwithstanding this objection, as a matter of comparability, standby energy is appropriately priced in accordance with the otherwise available rate schedule.

Information Request AG-3-3

Is Dr. Parmesano familiar with the Companies continuing recovery of stranded costs in the form of “above market payments to independent power producers”? If yes, does Dr. Parmesano believe that customers that install DG should be allowed to shift part of the responsibility for these costs, as represented by the new self-supplied load, to the non-DG customers?

Response

No.

Information Request AG-3-4

Refer to Exhibit NSTAR-CPS-1. Please define and explain how “diversity” is calculated at each of the levels discussed by Mr. Salamone-- distribution circuit level, substation level and transmission levels.

Response

Diversity is calculated by summing the non-coincident peak loads of the subordinate elements supplied by an element and dividing this result by the peak load of the element. For a distribution circuit, the subordinate elements are the distribution transformers supplied by the circuit. For a substation, the subordinate elements are the distribution circuits supplied by the substation. For a transmission line, the subordinate elements are the substations supplied by the transmission line.

Information Request AG-3-8

Refer to Exhibit NSTAR-CPS-1, page 6. Are all NSTAR transformers capable of carrying "their normal load and some or all of the load normally carried" by a failed unit? What is the average excess capacity of transformers on each of the Companies' distribution systems that allows for this flexibility? Here excess means the amount of transformer capacity above the amount needed to serve normal load.

Response

For all bulk power stations within the NSTAR Electric system that have more than one transformer supplying load there is capacity held in reserve to support the loss of one of the other transformers under peak load conditions. The amount of capacity held in reserve varies among substations. At stations with no transfer capability to adjacent stations, transformers are loaded only to about 60 percent of normal capability. At stations that can transfer some load to adjacent stations, transformers may be loaded to as much as 80 percent of normal capacity.

Information Request AG-3-10

Refer to Exhibit NSTAR-HCL-10, Boston Edison Company, M.D.T.E. No. 138 (new), Availability section and M.D.T.E. No. 136A (new). Please explain why the SB-1 tariff was modified to eliminate G-3 customers. Please note that the Rate Per Month--Supplemental Delivery Service section, page 3 of the tariff, continues to refer to the G-3 customers in the "Determination of Kilowatt Demand for billing" sub-section.

Response

The Company separated the proposed standby tariffs applicable to customers who would otherwise qualify for Rate G-3 and Rate G-2, because of the change in the prices for standby service from "as per the applicable rate schedule" to a list of specific prices for each rate schedule. The continued reference to Rate G-3 in the M.D.T.E. No. 138 is a mistake and should be removed. In addition, the continued reference to Rate T-2 in the M.D.T.E. No. 136A is a mistake and should be removed.

Information Request AG-3-11

Refer to Exhibits NSTAR-HCL-7, page 29 and HCL-10. Regarding the changes made to the proposed tariffs to reflect diversity at the substation level, please provide all analyses, studies, calculations and assumptions that Mr. LaMontagne relied on to develop the "cut off" parameters of 1000 kW(Boston Edison T-2, G-3 customers with DG) and 10 kW(Boston Edison G-2 customers with DG) and the equivalent changes for Cambridge and Commonwealth for the new standby tariffs. If the 10 kW modification is not related to the Companies desire to reflect diversity at the substation level, please provide the basis (all analyses, studies, calculations and assumptions) and explanation the purpose of this modification.

Response

The Company relies upon the rebuttal testimony of Mr. Salamone and its planning process to set the 1,000 kW limit for charging substation costs on an "as used" basis. The 10 kW threshold modification made to the supplemental charges applicable to Rate G-2 customers with on-site generation resulted from the recognition that reduced price for the first 10 kW should be applied only once to the customer's combined contract demand and supplemental billing demand.

Information Request AG-3-12

Refer to Exhibit NSTAR-HCL-9 and 10. Please explain how Mr. LaMontagne developed the new rates for standby demand using the data in Exhibit NSTAR-HCL-9. Include all supporting documentation, analyses, calculations and assumptions that validate the use of the Companies total gross plant allocators. What other methods did the Companies consider in designing the new rates to reflect their concept of diversity? Explain why the alternative methods were rejected.

Response

The calculations on Exhibit NSTAR-HCL-9 are self-explanatory. The Companies considered using marginal cost study results from the last rate case and the updated studies provided in response to information responses in this proceeding, but found significant changes in these results over time and thus rejected their use for this purpose.

Information Request AG-3-13

Please explain how the Cambridge Electric's back-up, standby and maintenance rates currently in place were originally developed and how they have changed since rates were unbundled. If these rates were developed as part of a settlement, please discuss the issues that were addressed by the settling parties and provide a copy of the settlement and the Department's order approving the settlement.

Response

Cambridge's standby, maintenance and supplemental rates were approved by the Department in D.P.U. 94-101/95-36. The approved rates were based upon the costs for production, transmission and distribution. The standby rate included a minimum reservation charge for production and transmission costs based upon a contract demand and as used demand charge for production, transmission and distribution. Upon restructuring, the production portion of the demand charges was removed and a transition charge was added. It should also be noted that the Department approved a contract-demand-based charge to collect stranded costs from the self-generating customer.